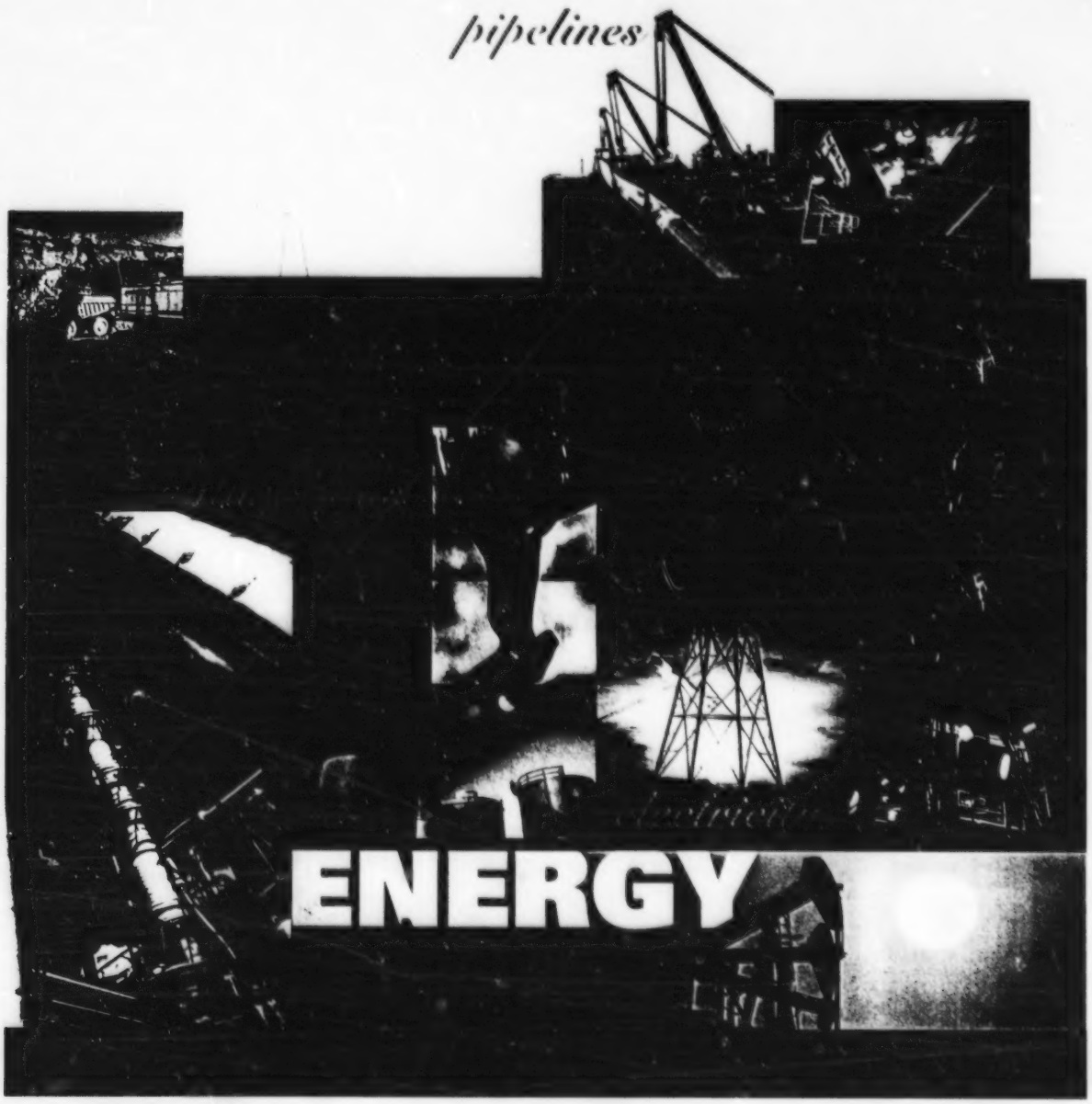
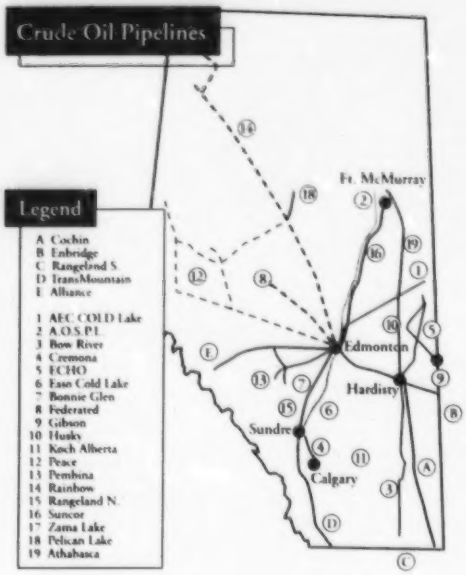


Alberta's Energy Industry Overview

Alberta
ENERGY

Oil Sands and Conventional Oil

Crude Oil Pipelines



Crude Oil Resources (2000)

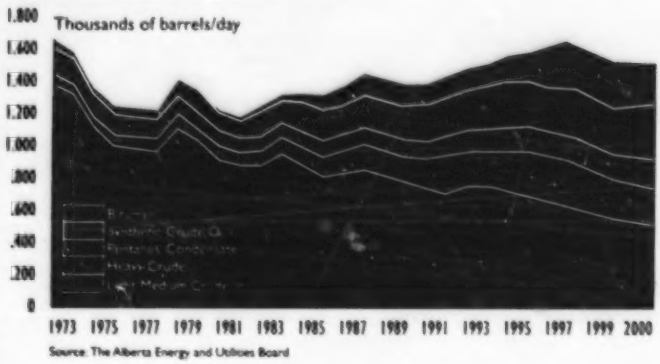
(Billion Barrels)	Oil Sands*	Conventional
In Place	1,631	60.3
Remaining Ultimate Potential	311	5.5
Initial Established	178	16.1
Cumulative Production	3	14.2
Remaining Established	175	1.8

Source: The Alberta Energy and Utilities Board

* Oil sands consist of a black, tar-like mixture – of sand, clay, water, and bitumen – which in its natural state is not commercially recoverable through a well.

- While conventional oil production is declining in Alberta, enhanced oil recovery and horizontal drilling techniques help maximize recovery of older pools. In Alberta 893,000 barrels of conventional crude oil were produced per day in 2000.
- Alberta has the largest oil sands resource in the world, containing 1.7 trillion barrels of bitumen in place. Of this total, about 300 billion barrels are considered potentially recoverable under anticipated technology and economic conditions. To date, less than 1% of the ultimately recoverable resource has been produced.
- Oil sands production currently represents 40% of Alberta's – and 30% of Canada's – total crude oil production. This is expected to reach 50% of Canadian and 10% of North American production within the next 10 years.
- Alberta's vast oil sands, coupled with an effective and competitive royalty regime and advancing technology, make this area an attractive energy investment opportunity.

Total Liquid Petroleum Production



Source: The Alberta Energy and Utilities Board

- Disposition of Alberta's oil production in 2000 was as follows:
  - 61% to the United States
  - 26% for use within Alberta
  - 13% to the rest of Canada

Disposition of Crude Oil (2000)

Thousands of barrels/day

Alberta +	Rest of Canada +	Total U.S. Exports −	Total Disposition
396	198	928	1,522

Source: The Alberta Energy and Utilities Board

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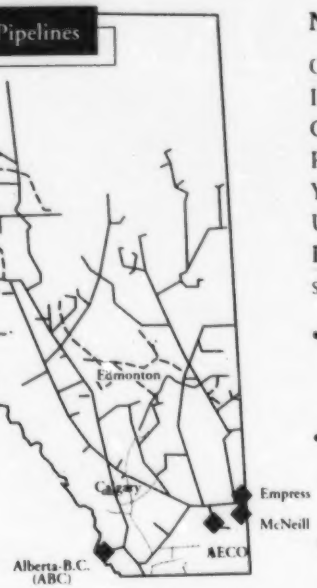
Natural Gas

Natural Gas Pipelines



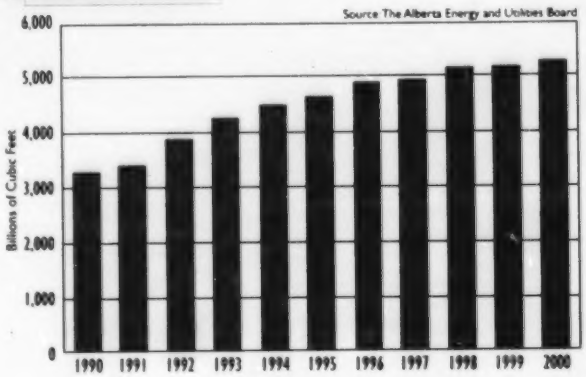
Natural Gas Resources (2000)

Conventional Natural Gas	Trillions of Cubic Feet
Initial Established	144
Cumulative Production	101
Remaining Established	43
Yet to Be Established	55
Ultimate Potential	199
Remaining Ultimate Potential	98

Source: The Alberta Energy and Utilities Board

- Alberta has a large natural gas resource base. Alberta has an estimated 200 trillion cubic feet of ultimately recoverable conventional natural gas. This range of reserves does not include Alberta's substantial non-conventional natural gas resource potential.
- Alberta's non-conventional natural gas resource, including coal-bed methane and tight gas, could potentially satisfy Alberta's needs for hundreds of years if technological improvements make this resource economical to develop.
- Alberta currently produces over five trillion cubic feet of gas every year. This represents approximately 83% of Canada's total natural gas production. Alberta gas production is expected to continue to grow, feeding into expanding US markets via increased export pipeline capacity.

Natural Gas Volumes



Annual Disposition of Natural Gas (2000)

Billion cubic feet

Alberta	+	Rest of Canada	+	U.S. Exports	=	Total Disposition
1,206		1,598		2,380		5,184

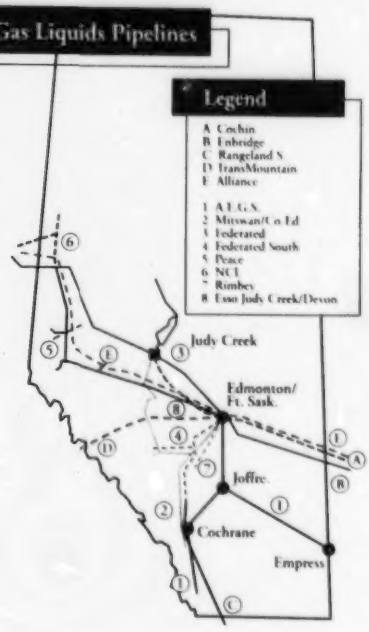
Source: The Alberta Energy and Utilities Board

- Alberta is an established gas market hub which can support and benefit from northern gas development. We have streamlined approval processes, an efficient transmission and storage system, a highly skilled workforce and the processing and marketing infrastructure already in place.
- Disposition of Alberta's natural gas production in 2000 was as follows:
  - 46% to the United States
  - 31% to the rest of Canada
  - 23% for use within Alberta

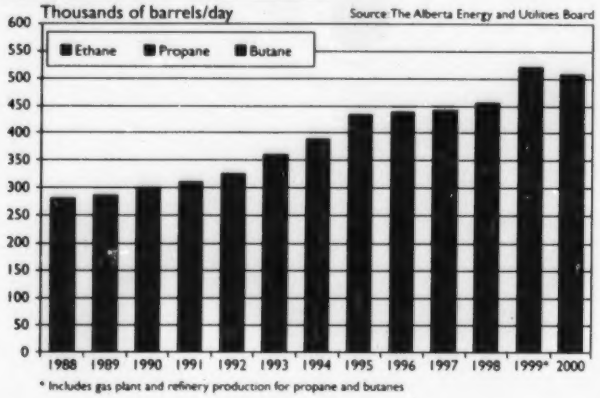
Petrochemicals

- A world-class petrochemical industry has developed in Alberta. The principal business relates to the value-added upgrading of our natural resources, particularly ethane, into ethylene and ethylene derivatives. Alberta's petrochemical industry is comprised of:
  - ethylene and ethylene derivatives based primarily on ethane
  - methanol and methanol derivatives based on natural gas
  - ammonia and ammonia fertilizer

Natural Gas Liquids Pipelines



Production of Natural Gas Liquids



* Includes gas plant and refinery production for propane and butanes

- Alberta's ethylene capacity has nearly doubled as a result of expansions at Joffre and Fort Saskatchewan. The ethylene cracker at Joffre is the largest ethylene production facility in the world.
- A $3.5-billion expansion of Alberta's petrochemical industry over the past five years resulted in increased production capacity of ethylene, polyethylene, ethylene glycol, linear olefins and acetic acid.

Exports of Chemicals and Chemical Products

* Estimated

Minerals

- Alberta produced nearly 45% of Canada's domestic coal supply in 2000.
- In 2000, the production of marketable coal totalled 30.9 million tonnes, valued at $431.5 million, from six major mines.
- Deliveries of sub-bituminous coal to the Alberta market for electricity generation were 24.2 million tonnes in 2000.
- In 2000, 6.5 million tonnes of bituminous coal were delivered to destinations outside the province.
- The department is developing a mineral development strategy, which will create a framework for the orderly development of Alberta's non-energy related metallic and industrial materials.

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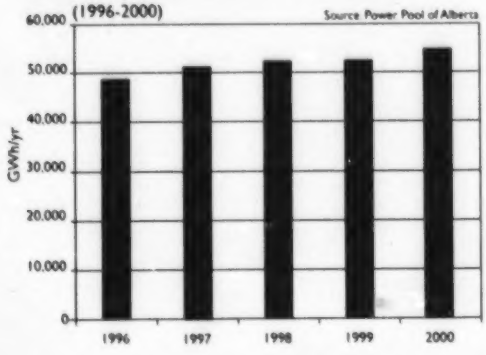
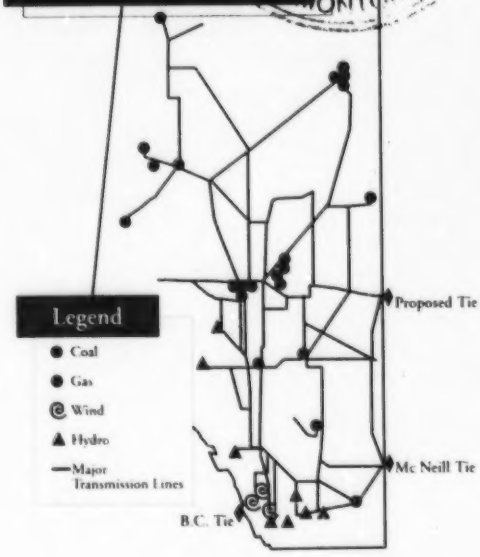
Electricity

- On January 1, 2001, Alberta restructured its electricity market giving Albertans increased choice over who provides their electricity services.
- The new competitive market structure gives all electricity generators an equal opportunity in the generation market. Alberta's open market allows any company to bring on new generation as long as they meet regulatory requirements.
- Alberta has installed generating capacity of approximately 11,000 megawatts (MW) with approximately 10,000 MW that could be available to the Alberta Integrated Electrical System. Alberta also has access to about 1,000 MW of capacity from neighbouring jurisdictions. Alberta's peak demand in 2000 was 7,785 MW - up from 7,408 MW in 1999.
- New generation of about 1400 MW was added to the Alberta power supply between 1998 and the end of 2000. An additional 5,000 MW of new power has been announced by industry for development between 2001 and 2005.

Total Electric Energy Traded through the Power Pool of Alberta



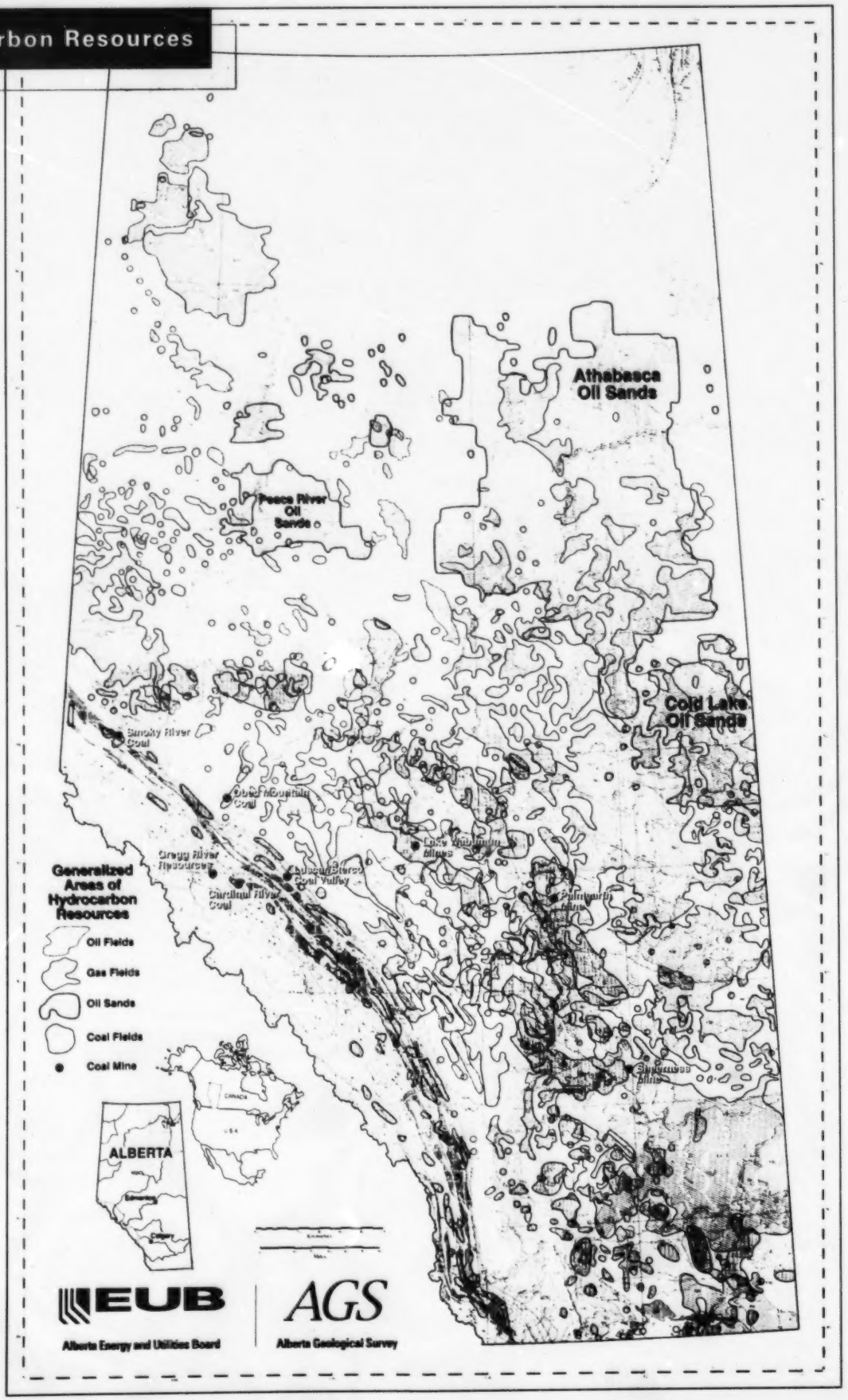
Transmission/Generation (2000)



Energy Sector Highlights and Economic Impact (2000)

- Alberta oil and gas was used to generate approximately 69% of all the energy produced in Canada. Alberta also accounted for 55% of Canada's conventional oil (includes offshore), 80% of natural gas, 100% of bitumen and upgraded crude oil, and 49% of coal.
- Alberta's energy industry accounts for approximately 25% of Alberta's total Gross Domestic Product.
- Energy exports of $34.3 billion were 56% of Alberta's total exports.
- Over 45% of capital investment in Alberta is in the energy industry.
- About 100,000 people are directly employed in Alberta's energy industry. An additional 140,000 people work in energy-related jobs.
- Alberta's energy sector has a productive, well-educated and skilled workforce.
- Top-ranked energy technology centres and advanced education institutions have put Alberta at the forefront of energy technology and development.
- A provincially regulated pipeline network of almost 293,700 kilometers lies within Alberta. This network is connected to federally regulated pipelines providing ready access to continental markets.
- Alberta's non-renewable energy resource revenue contributes about 32% of the province's total budget.
- 8,951 oil and gas wells were completed in Alberta.
- Over the last 10 years, about 75% of all active rigs in Canada have been drilling in Alberta.
- A record 16,569 well licenses were issued in the province.
- There are currently 79 projects worth $44.2 billion either announced or under way, in the oil, gas and oil sands industries.
- Alberta's petroleum industry produced 1.5 million barrels per day of crude oil – of which 607,000 barrels per day was from the oil sands – and 14.2 billion cubic feet per day of marketable natural gas.

Hydrocarbon Resources



Oil Sands photos courtesy of Syncrude Canada Ltd. Mining photo courtesy of Luscar Ltd. Pipeline photo Courtesy of Alliance Pipeline Ltd.

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